

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2000-457- C - ORDER NO. 2000-1023
DECEMBER 21, 2000

IN RE:	Application of AM-TEL South Carolina, LLC)	ORDER GRANTING
	for a Certificate of Public Convenience and)	CERTIFICATE
	Necessity to Provide Local Exchange)	
	Telecommunications Service Within the State)	
	of South Carolina)	

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of AM-TEL South Carolina, LLC (hereinafter referred to as "AM-Tel, LLC" or the "Company") requesting a Certificate of Public Convenience and Necessity to provide local exchange telecommunications services throughout the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (B)(Supp. 1999) and Section 253 of the Telecommunications Act of 1996.

By letter, the Commission's Executive Director instructed AM-Tel, LLC to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The proposed Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. AM-Tel, LLC complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Motion to Intervene Out of Time was received from the South Carolina Telephone Coalition ("SCTC") on November 16, 2000.

On December 5, 2000, counsel for SCTC filed with the Commission a Stipulation in which AM-Tel, LLC stipulated that it would seek authority in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until AM-Tel, LLC provided written notice of its intent prior to the date of the intended service. AM-Tel, LLC also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. AM-Tel, LLC agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to AM-Tel, LLC to provide local services provided the conditions contained in the Stipulation are met. The Stipulation was entered into the evidence of the hearing. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on December 6, 2000, at 12:00 p.m., in the Commission's Hearing Room. The Honorable William Saunders, Chairman, presided. AM-Tel, LLC was represented by John D. McLeod, Esquire. Bennie E. Hewett, President of the Company, appeared and testified on behalf of the Company. Jocelyn D. Green, Staff Counsel, represented the Commission Staff. Eddie Coates, Rates Analyst and Roy H. Barnette, Auditor III, testified on behalf of the Commission Staff.

Hewett is the sole shareholder in AM-Tel, LLC. He testified that in 1961 he started his own finance business. He has a total of one hundred twenty business locations: thirty-three are in Georgia, forty-two are located in South Carolina, and the rest are in Louisiana and Texas.

Hewett testified he wants to expand his business by offering prepaid local telephone service to the customers he serves in his finance business locations. After being granted a Certificate to provide local exchange telecommunications services in Georgia, AM-Tel, Inc. began providing prepaid local service in Georgia. According to the testimony, AM-Tel, Inc. , as of November 1, 2000, is serving approximately fifteen hundred customers in Georgia. The Company has also applied for authority to provide telecommunications services in Louisiana.

Hewett described the type of services the Company plans to offer in South Carolina after being granted certification. According to the testimony, the services provided by AM-Tel, LLC will allow a customer to place an unlimited number of calls per month in their local calling area as well as 911 calls and toll-free calls. The Company will also offer optional services such as call waiting, three-way calling, speed dialing, call return, unpublished numbers, caller ID, call forwarding and a wire maintenance plan.

The testimony also addressed the Company's managerial, technical, and financial ability to provide telecommunications services in South Carolina. Regarding the Company's financial ability to provide telecommunication services in South Carolina, Hewett testified Citizens Reinsurance, Limited and AM-Tel, Inc. have entered a funding agreement which provides a \$750,000.00 line of credit to AM-Tel, Inc. According to the testimony, this same line of credit is available to AM-Tel, LLC, a start-up operation. Hewett opined that Citizens Reinsurance's resources are more than adequate to cover the needs of AM-Tel; Citizens Reinsurance is owned by the same stockholder who owns AM-Tel, Inc.

market its services through Hewett's forty-two locations of finance businesses in South Carolina and in some freestanding stores in highly populated areas.

Coates' testimony addressed the services the Company intends to provide, requested waivers and recommended changes to the Company's tariff. Coates objected to the Company's request for a waiver concerning reporting requirements on the basis that the request is overly broad. Coates testified the reporting requirements provide the Commission Staff with necessary information to compare regulated utilities. For example, the Commission Staff uses the reports to assess the quality of service provided by the Company. Hewett agreed with all of the recommendations Coates made regarding the Company's tariff and an updated tariff from the Company which included all of the recommended changes suggested by Coates was prepared by Hewett and entered into the evidence at the hearing as Hearing Exhibit Number Two.

Barnette testified the Auditing Department reviewed the financial statements that were a part of the Company's filing. The financial statements included with the Application were those of Citizens Reinsurance, the company that is backing the Applicant while it is starting its operations. Barnette testified that Staff requested the Applicant file more current financial statements with the Commission. As a result of Barnette's request, the Company filed updated financial information from Citizens Reinsurance dated December 31, 1999, and October 31, 2000, and a balance sheet and income statement for AM-Tel, LLC dated October 31, 2000. After reviewing all of these statements, Barnette concluded AM-Tel, LLC needs the backing of Citizens Reinsurance at this time. Barnette also testified that if Citizens Reinsurance did not support AM-Tel, LLC, working capital for the Company would need to be available from some other source such as profits, loans, or paid in capital by its owners. Finally, Barnette testified

that AM-Tel, LLC with the financial support of Citizens Reinsurance, is in a good position to begin providing local telecommunications services in South Carolina if the Commission grants the Company a certificate.

Upon consideration of the application and the record from the hearing, the Commission makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. AM-Tel, LLC is organized as a corporation under the laws of the State of Georgia and is authorized to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. AM-Tel, LLC wishes to provide local exchange services within the State of South Carolina.

3. The Commission finds that AM-Tel, LLC possesses the technical, financial, and managerial resources sufficient to provide the service requested. S.C. Code Ann. §58-9-280(B)(1) (Supp. 1999).

4. The Commission finds that AM-Tel, LLC's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 1999).

5. The Commission finds that AM-Tel, LLC will support universally available telephone service at affordable rates. S.C. Code Ann. §58-9-280(B)(4) (Supp. 1999).

6. The Commission finds that AM-Tel, LLC will provide services which will meet the service standards of the Commission. S.C. Code Ann. §58-9-280(B)(2) (Supp. 1999).

7. The Commission finds that the provision of local exchange service by AM-Tel, LLC “does not otherwise adversely impact the public interest.” S.C. Code Ann. §58-9-280(B)(5) (Supp. 1999).

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to AM-Tel, LLC to provide competitive intrastate local exchange services within the State of South Carolina. The terms of the Stipulation between AM-Tel, LLC and the SCTC (attached hereto as Exhibit 1) are approved and adopted as a portion of this Order. Any proposal to provide local services to rural service areas is subject to the terms of the Stipulation. In accordance with the Stipulation, AM-Tel, LLC may not provide any local service to a customer located in a rural incumbent LEC’s service area, unless or until AM-Tel, LLC provides such rural incumbent LEC and the Commission, written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. The Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while it conducts any proceeding incident to the Petition or upon the Commission’s own Motion, provided that the Commission can further suspend the implementation date upon a showing of good cause. It is specifically provided that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Order in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications as they may be entitled. If, after notice from AM-Tel, LLC that it intends to serve a customer located in a rural incumbent LEC’s service area, and

the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or if the Commission institutes a proceeding of its own, no service may be provided by AM-Tel, LLC in a rural incumbent LEC's service area pursuant to this Order without prior and further Commission approval.

2. AM-Tel, LLC shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. Any proposed change in the rates reflected in the tariff for local services which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1999).

3. AM-Tel, LLC shall resell or provide the services of only those companies authorized to provide telecommunications services in South Carolina by this Commission.

4. AM-Tel, LLC shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

5. AM-Tel, LLC shall file annual financial information in the form of annual reports and gross receipt reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, AM-Tel, LLC shall keep such financial records on an intrastate basis as needed to comply with the annual report and gross receipt filings. The form the Company shall use to file annual financial information with the Commission can be found at the Commission's web site at www.psc.state.sc.us/forms. This form is entitled "Annual Report for Competitive Local Exchange Carriers".

6. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a “Public Safety Communications Center,” which is more commonly known as a “911 system” or “911 service.” Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs AM-Tel, LLC to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association (“SC NENA”) with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, AM-Tel, LLC shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company’s operations as required by the 911 system.

7. The Company shall, in compliance with Commission regulations, designate and maintain authorized utility representatives who are prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the names of the authorized representatives to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

AM-Tel, LLC shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The Company shall utilize the “Authorized Utility Representative Information” form which can be located at the Commission’s website at www.psc.state.sc.us/forms to file the names of these representatives with the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

8. AM-Tel, LLC requested waivers from certain Commission regulations and requirements. Specifically, AM-Tel, LLC requested waivers from (1) the requirement found in Rule 103-631 to publish and distribute local exchange directories; (2) any requirement to maintain books and records in compliance with the USOA; (3) of any reporting requirements which, although applicable to incumbent local exchange carriers, are not applicable to competitive providers such as AM-Tel, LLC because such requirements: (1) are not consistent with the demands of the competitive market; or (2) they constitute an undue burden on a competitive provider, thereby requiring an inefficient allocation of its limited resources; and (4) a waiver of Regulation 103-610 so that the Company can keep its records required by the Commission’s rules or necessary for the administration thereof, in Gainesville, Georgia. The Commission grants the request for waiver from the requirement to publish directories as AM-Tel, LLC has indicated that it will contract with the incumbent local exchange company to include the customers of AM-Tel, LLC in the directory listing of the ILEC directory. Further, the Commission grants AM-Tel’s request that it be allowed to keep its books and records in accordance with GAAP rather than the USOA. We also grant the Company’s request for a waiver of Regulation 103-610 so that the Company can keep its records required by the

Commission's rules or necessary for the administration thereof, in Gainesville, Georgia. The Commission however denies the Company's request for a waiver of any reporting requirements which, although applicable to the incumbent local exchange carriers, are not applicable to competitive providers such as AM-Tel, LLC. This request is denied because it lacks specificity and the Company is entitled to petition the Commission in the future for a waiver of a specific regulation(s). AM-Tel, LLC is directed to comply with all Commission regulations, unless a regulation is specifically waived by the Commission.

9. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Chairman

ATTEST:


Executive Director

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 2000-NUMBER-C

Docket No. 2000-457-C

Re: Application of AM-TEL South Carolina, LLC)
for a Certificate of Public Convenience)
and Necessity to Provide Local Exchange)
Telecommunications Services in the State of)
South Carolina)
_____)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and AM-TEL South Carolina, LLC ("AM-TEL") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose AM-TEL' Application. SCTC and AM-TEL stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to AM-TEL, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. AM-TEL stipulates and agrees that any Certificate which may be granted will authorize AM-TEL to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. AM-TEL stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. AM-TEL stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and

until AM-TEL provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, AM-TEL acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. AM-TEL stipulates and agrees that, if AM-TEL gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then AM-TEL will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. AM-TEL acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and AM-TEL, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. AM-TEL agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. AM-TEL hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 28TH day of November, 2000.

AM-TEL South Carolina, LLC:



B. Jason Hewett, V.P.

P O Box 907730
Gainesville GA 30501-0911
678-450-1270

South Carolina Telephone Coalition:



M. John Bowen Jr.
Margaret M. Fox
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

Attorneys for the South Carolina Telephone
Coalition

ATTACHMENT A

**South Carolina Telephone Coalition Member Companies
for Purposes of Local Service Stipulation**

ALLTEL South Carolina, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 2000-NUMBER-C

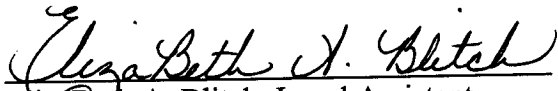
Docket No. 2000-457-C

Re: Application of AM-TEL South Carolina, LLC)
for a Certificate of Public Convenience)
and Necessity to Provide Local Exchange)
Telecommunications Services in the State of)
South Carolina)
_____)

**CERTIFICATE OF
SERVICE**

I, ElizaBeth A. Blich, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

John D. McLeod, Esquire
Post Office Drawer 30
Winnsboro, South Carolina 29180.


ElizaBeth A. Blich, Legal Assistant
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

December 5, 2000

Columbia, South Carolina